## REMARKS

Favorable reconsideration of this application in view of the above amendments and following remarks is respectfully requested.

By this Amendment, the Abstract is amended; Claims 25-26 and 36-37 are amended; and no claims are canceled or added herewith. It is respectfully submitted that no new matter is added by this amendment.

In the outstanding Office Action, the specification was objected to; Claims 25-28, 32, 36 and 37 were rejected under 35 U.S.C. § 102(b) as anticipated by U.S. Patent No. 6,354,059 to <u>Yoshie</u>; and Claims 29-31 and 33-35 were indicated as including allowable subject matter.

With respect to the rejection of the claims under 35 U.S.C. §102(b), the applied art does not teach or suggest that a second alignment mechanism is configured to align a paper bundle conveyed by a first conveying mechanism in a vicinity of a folding position to fold the paper bundle, the second conveying mechanism is configured to convey the paper bundle aligned by the second alignment mechanism to the folding position, and the folding mechanism is configured to fold the aligned paper bundle at the folding position, as recited in Claim 25 and similarly recited in Claims 26, 36 and 37.

Instead, <u>Yoshie</u> discloses that in the midway stapling mode, movable stopper member 51 in the vicinity of the position for staple processing of stapler 50 is retracted, and the movable stopper member 53 located at the downstream side of the stopper 51 operates to close the path 52. When the size of cover sheet K and recording sheet S is detected, the stopper member 53 moves to the determined position. After the last recording sheet S is positioned and stacked on the stacker 35, the bundle of sheets are sent to midway stapling processing conducted by a stapler 50.

After the midway stapling, the movable stopper member 53 swivels open and opens the path on the downstream side on page 52. The bundle of sheets passes through the curved path 61 and is guided onto conveyance belt 62 located on the lower part of guide plate 63 and comes in contact with the stopper member 65 as shown in Figure 5. When the start folding signals are detected, the movable holding member 662 advances along guide bar 663 and protruding plate 661 fixed on the holding member 662, and protrudes above the sheet placing surface. After the tip portion of plate 661 has passed through the nipping section, the protruding plate 661 is retreated in the central portion of the bundle of sheets and is nipped and pressed by the folding paired roller section 67 to be rimpled.

Accordingly, the applied art does not disclose the features recited in the claimed invention. Again, amended Claims 25, 26, 36 and 37 recite that the second alignment mechanism is configured to align the paper bundle conveyed by the first convey mechanism in the vicinity of the folding position to fold the paper bundle, the second convey mechanism is configured to convey the paper bundle aligned by the second alignment mechanism to the folding position, and the folding mechanism is configured to fold the aligned paper bundle at the folding position. The alignment of the paper bundle in the vicinity of the folding position allows the paper bundle to be in a more proper aligned state at the folding position than aligning the paper bundle at the folding position.

The cited reference <u>Yoshie</u> fails to teach or suggest the features as recited in the amended claims. Therefore, the amended claims are patentable over the cited reference. Accordingly, withdrawal of the rejection of the rejection of the claims under 35 U.S.C. § 102(b) is respectfully requested.

Consequently, for the reasons discussed in detail above, no further issues are believed to be outstanding in the present application, and the present application is believed to be in condition for formal allowance. Therefore, a Notice of Allowance is earnestly solicited.

Application No. 10/666,240 Reply to Office Action of July 31, 2006

Should the Examiner deem that any further action is necessary to place this application in even better form for allowance, the Examiner is encouraged to contact the undersigned representative at the below listed telephone number.

Respectfully submitted,

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